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PACIFIC TELESIS
Group-Washington

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August 24, 1995

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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: *CC Docket No. 94-54 - Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services; RM-8643 - Petition for Rulemaking of Pacific Bell Mobile Services Regarding a Plan for Sharing the Costs of Microwave Relocation; RM-8658 - Section 68.4(a) of the Commission's Rules Hearing Aid Compatible Telephones; GEN Docket No. 90-314 - Amendment of the Commission's Rules to Establish New Personal Communications Services*

Yesterday, James Tuthill, General Counsel, Vice President, External Affairs, Pacific Bell Mobile Services, and I met with Rudolfo M. Baca, Legal Advisor to Commissioner Quello, to discuss issues summarized in Attachments A, B, and C. Mr. Tuthill, Steve Sidore, Director of Network Engineering, Pacific Bell Mobile Services, and I met with Dan Phythyon, Associate Bureau Chief, and Stan Wiggins, of the Wireless Telecommunications Bureau to discuss issues summarized in Attachments A, B and D; with Michael Wack, Deputy Chief, and Jeffrey Steinberg and Pam Megna of the Policy Division, Wireless Telecommunications Bureau to discuss issues contained in Attachment E and relating to Pacific Bell Mobile Services' non-structural safeguards plan; with Robert M. Pepper, Chief, and Gregory Rosston, of the Office of Plans and Policy to discuss issues outlined in Attachment B; and with Michael Buas, of the Office of Engineering and Technology, to discuss issues outlined in Attachment D. Please associate the attached material with the above-referenced proceedings.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

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List A B C D E

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,

Gina Harrison

cc: Rudolfo M. Baca
Michael Buas
Pam Megna
Robert M. Pepper
Dan Phythyon
Gregory Rosston
Jeffrey Steinberg
Michael Wack
Stan Wiggins

Attachments (5)

BEGIN RULEMAKING ON MICROWAVE RELOCATION COST SHARING

WE MODIFIED OUR POSITION AND SUPPORT PCIA PROPOSAL

WE COMPROMISED FOR INDUSTRY CONSENSUS

- OUR PROPOSAL CONSISTS OF 1)INTERFERENCE RIGHTS, 2)ADJACENT CHANNEL COST SHARING, AND 3)A PER-LINK CAP OF $600K.
- PCIA PROPOSAL CONSISTS OF 1)INTERFERENCE RIGHTS, 2)CO-CHANNEL COST SHARING, AND 3)A PER- LINK CAP OF $250K AND $150K IF THE TOWER HAS TO BE REPLACED.
- WE SUPPORT THE PCIA PROPOSAL AND RECOMMEND THE COMMISSION IMMEDIATELY OPEN A RULEMAKING.

THERE IS BROAD SUPPORT FOR THE PCIA PROPOSAL

- AMERITECH, AMERICAN PERSONAL COMMUNICATIONS, BELLSOUTH WIRELESS, INC., OMNIPOINT COMMUNICATIONS, WESTERN PCS CORPORATION, AND WE SIGNED ONTO THE PCIA PROPOSAL.
- CTIA SUPPORTS RULES FOR MICROWAVE RELOCATION COST SHARING.
- SPRINT/WIRELESS CO., SUPPORT PCIA PROPOSAL OF $250K PLUS ADDITIONAL $150K IF TOWER HAS TO BE REPLACED.
- SWB SUPPORTS OPENING A RULEMAKING.
- COX SUPPORTS COMMISSION ACTION TO DEVELOP AN OBJECTIVE STANDARD OF "INTERFERENCE."
- UTAM SUPPORTS COST SHARING.

UTC GENERALLY SUPPORTS OUR PROPOSAL

- " THE PBMS PROPOSAL PROVIDES A SOLID FRAMEWORK FOR THE DEVELOPMENT OF WORKABLE COST-SHARING PROCEDURES."
- SOME INCUMBENTS MISUNDERSTOOD OUR PROPOSAL; WE ARE NOT PROPOSING A PAYMENT CAP, ONLY A SHARING CAP.

MICROWAVE RELOCATION

WILL IT DELAY THE PCS PROMISE?

COMMISSION ACTION NEEDED

- TO FULFILL PCS PROMISE: ***RAPID DEPLOYMENT*** OF NEW SERVICES, LOWER PRICES, AND, COMPETITION FOR CELLULAR.
- TO PRESERVE POTENTIAL VALUE OF SPECTRUM IN FUTURE AUCTIONS.

NEED FOR HELP IS URGENT

- SOME INCUMBENTS BELIEVE THAT THEY ARE ENTITLED TO "GREENMAIL" TO MOVE DURING VOLUNTARY PERIOD.
- THE COMMISSION SHOULD CLARIFY OR REVISE THE RULES.
- INCUMBENTS SHOULD BE REQUIRED TO NEGOTIATE IN GOOD FAITH FOR RELOCATION TO COMPARABLE FACILITIES.

Attachment C

Found Money on City's Info Highway

By Melinda Powelson

John Eger, San Diego's self-professed wizard of telecommunications, has an interesting history. A former CBS broadcasting executive, Eger has advised the likes of past presidents Richard Nixon and Gerald Ford on telecommunications. And since moving to San Diego six years ago, Eger has succeeded in making himself an indispensable advisor to Mayor Susan Golding.

Two years ago, Eger, now a professor at San Diego State, was appointed to the board of the San Diego Data Processing Center, a city-owned agency that provides the city with computer services. He also serves as chairman of Golding's City of the Future Committee, a group intended to make San Diego the "hub of information technology."

Now Eger is involved in another city project — but this time, he's getting paid. Last month, City Manager Jack McGrory awarded a $265,000 contract to a nine-member consulting team led by the Washington, D.C. law firm, Keller and Heckman. Eger will serve as the group's "strategic advisor" for a fee of $270 an hour.

The consultants' assignment: to help negotiate a deal that may be worth millions of dollars to taxpayers. Or maybe not.

Next year, big cable and telephone companies want to begin offering a new kind of "personal communications system," supposed to revolutionize the way America communicates. Tiny pocket cellular phones will be able to take incoming calls and pages and serve as an answering machine — all for a nominal fee.

But before telecommunications companies can proceed, they have to clear airwaves currently used by local governments for police, fire, and ambulance transmissions. Cities have been ordered to find another frequency on the spectrum for their networks. By law, the new occupants of the frequencies must pay for the expensive equipment required to build new systems for the cities.

Tension is mounting: the cities want to be compensated for moving, while communications companies, anxious to market their products as soon as possible, say they don't want to be extorted.

The Keller and Heckman team is being paid to determine how much money the city should charge for the move. The law firm will also evaluate unspecified "strategic partnerships" with telecommunications firms.

"That has John Eger's fingerprints all over it," says Michael Shames of UCAN (Utilities Consumer Action Network), a consumer watchdog group. He points out that Eger has encouraged public-private partnerships in the past.

Other cities across the country are grappling with the same problem. But instead of hiring costly consultants, Los Angeles, San Francisco, Portland, and Seattle are all handling the negotiations on their own. "We don't want to waste the taxpayers' money," says Joel Harrington of Portland. "This is an issue of securing emergency communications — not about making Washington, D.C. lawyers rich."

The debate began when the Federal Communications Commission (FCC) decided to reevaluate how it divided the radio spectrum. To accommodate the booming cellular industry, the FCC ordered the cities to move.

Telecommunications giants Pacific Telesis and Cox Cable-vision paid $26 million to secure licenses in San Diego for the new wireless services. Both companies say they want to be on the air and start marketing their services by 1996.

"We wanted to move quickly on this and not hold up the new technology," says Richard Wilken of the city's communications department. "The issues that we are facing are highly technical. There are going to be very complex negotiations."

That's where Eger and the consulting team comes in. "We didn't have the expertise to participate in these negotiations," Wilken explains. "so we hired a consultant to come up with a plan." The city reviewed three applicants and ultimately chose Keller and Heckman. The team is led by Richards, who specializes in telecommunications. Other participants include Charles L. Jackson and Jeffrey Hobbs, of the Strategic Policy Research Center in Maryland; Mark Goodin and Klaus Bender of the Industry Telecommunications Association; and Eger, who heads up "strategic planning." (Like Eger, Hobbs and Jackson also charge $270 an hour.)

Wilken admits that Eger's participation gave the Keller and Heckman proposal an advantage over the other consultants. "We liked the fact that they had someone who knew what the situation here was," Wilken says, adding, "I absolutely don't think it's a conflict."

Shames disagrees, saying Eger's participation raises some important questions.

Michael Shames

"We really don't know why [Eger] sits on the City of the Future Committee," Shames says. "Did he do it because he is really interested in finding the best services for the city? Or did he do it so that he could get lucrative city contracts?"

Two weeks ago, Cindy Hicks, Eger's secretary, said her boss was traveling abroad and that she would contact Eger about questions regarding his role in the consulting project. Eger did not return calls. In response to subsequent requests, Hicks said Eger was still out of the country.

"We determined that Mr. Eger's role on the mayor's City of the Future Committee had nothing to do with the contract we are talking about," says Assistant City Attorney Curtis Fitzpatrick. "The Committee is not going to vote on

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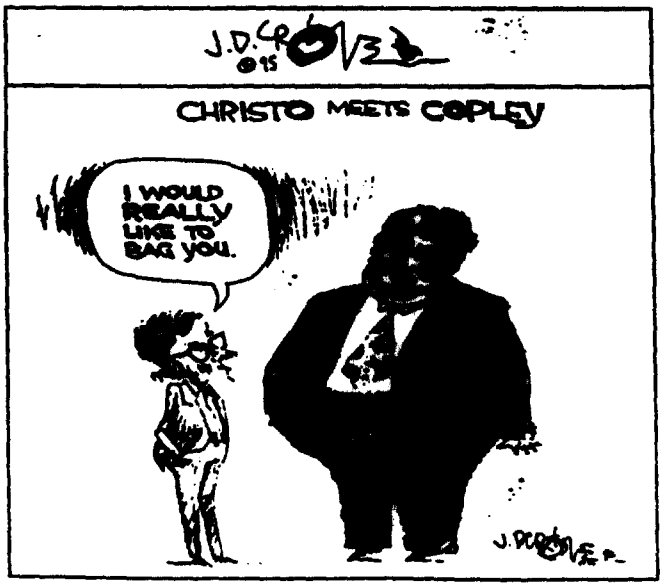

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Info highway

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any of the microwave relocation issues. The city is not going to take the position that everyone who has volunteered for a committee is trying to get a contract. That is not a legal issue."

No other major West Coast city has hired outside consulting firms to assist with negotiations. "We are handling this in-house," says Ken Chan, of the City of Los Angeles, which is also negotiating with Pacific Telesis and Cox Cablevision. "We have already been notified of their intent to use our microwave bands, and we are beginning the negotiation process," he says. Chan estimates that it

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will cost the companies roughly $1 million to move the city's system.

Portland communications director Harrington says his city has also decided to negotiate without consultants. "The only people who are going to benefit from this are the high-priced consultants, who get paid ridiculous amounts of money. Most cities should be able to do this on their own."

San Diego's Wilken disagrees. "This is a very complicated area of the law, and it's an important decision for San Diego. We wanted to make certain that we understood all of the options available to us in these negotiations." Furthermore, he adds, the consulting fees will ultimately be paid by Pacific Telesis and Cox — not the taxpayers.

Chan says that his department never even considered the possibility of public-private partnerships. "All we want to do is protect the city's emergency communications network," he says. "This is an opportunity to upgrade our system, at no expense to the taxpayers. I don't think it is appropriate to be speculating about public-private ventures."

Portland's Harrington agrees. "This isn't about looking for opportunities to make money. This is about securing emergency communications systems for the metropolitan area. We've already moved our entire communications system. What I want to do is recoup some of the cost of the relocations."

But San Diego's Wilken says that Portland and L.A. may be missing out on a once-in-a-lifetime opportunity. "We have been getting calls from all over the U.S. asking us for advice," he says. "We want to make sure that we build a state-of-the-art communications network."

However, industry analysts warn that San Diego shouldn't be so eager.

"There are some heightened expectations out there that have to be dealt with. 'Bilking' would not be too strong of a word," says Mark Golden, of the Personal Communications Industry Association.

"Everyone thinks that because [Pacific Telesis and Cox] have paid millions for the licenses, that they have limitless deep pockets," continues Golden. "City officials think that they may have discovered a way to help balance the budget. That is categorically untrue — and unfair to the industry. This should be a win-win for everybody."

Wilken says San Diego has no intention of extorting money from the providers. "We want to resolve this issue to the benefit of the taxpayers, but we don't intend to do it at the cost of the new technology." ■

DIGITAL COMMUNICATIONS AND HEARING AIDS

THERE IS NO HEALTH RISK OR HAZZARD

- ALL DIGITAL TRANSMISSIONS HAVE POTENTIAL TO CAUSE INTERFERENCE.
- THERE IS NO RISK OF INJURYBECAUSE OF INTERFERENCE.
- AUSTRALIAN GOVERNMENT ISSUED REPORT THAT THIS IS NOT A HEALTH PROBLEM.

FCC SHOULD MONITOR INDUSTRY EFFORTS

- CENTER FOR ELECTROMAGNETIC COMPATIBILITYIS STUDYING ISSUE AND HAS ASKED FOR PARTICIPATION FROM HEARING IMPAIRED GROUPS.
- REQUESTS TO HALT DEPLOYMENT OF PARTICULAR TECHNOLOGIES ARE WRONG AND EXTREME.
- SOLUTIONS ALREADY EXIST.

PACIFIC BELL®
Mobile Services

THE COMMISSION SHOULD ADOPT A ROAMING RULE

COMMISSION HELP WILL BE NECESSARY TO ASSIST PCS's LAUNCH

The Industry May Not Voluntarily Promote Roaming

PACIFIC BELL®
Mobile Services

- Large Cellular and PCS Companies Plan to Create National Networks:
  - » **AT&T/McCAW**
  - » **AIRTOUCH/BELL ATLANTIC/NYNEX/US WEST**
  - » **WIRELESS CO.**
- Customers of Regional and Small Providers May Be Unable to Access These Networks for Competitive Reasons.

A Broad Roaming Policy Should Be Adopted

PACIFIC BELL®
Mobile Services

- The Existing Part 22 Rule, 22.901 Should Be Extended to All CMRS Providers.
- This Would Allow Roaming on Cellular Analog Systems and Other PCS Systems.
- Additionally, the Rule Should Provide That Roaming Is Available on Fair and Nondiscriminatory Terms and Conditions.
- This Is Consistent With Sections 201 and 202.

[redacted]

Roaming Scenario 1 - Originating Call Only

PACIFIC BELL® Mobile Services

Subscriber's Capability - Roaming subscribers are only allowed to originate calls.

Contract Arrangements:

- The subscribers' home network and visited network must have agreements on the terms and conditions to compensate one another for network usage.
- The exchange of billing information becomes part of the billing settlements process.

Technology Requirements:

- The only technical requirement is that the subscribers' handset has an air interface compatible with the visited network.
- This may require a dual mode handset. **Dual mode handset availability (i.e. AMPS/PCS1900) is scheduled for 1Q 1996.**

[redacted]

Roaming Scenario 1 Originating Calls Only

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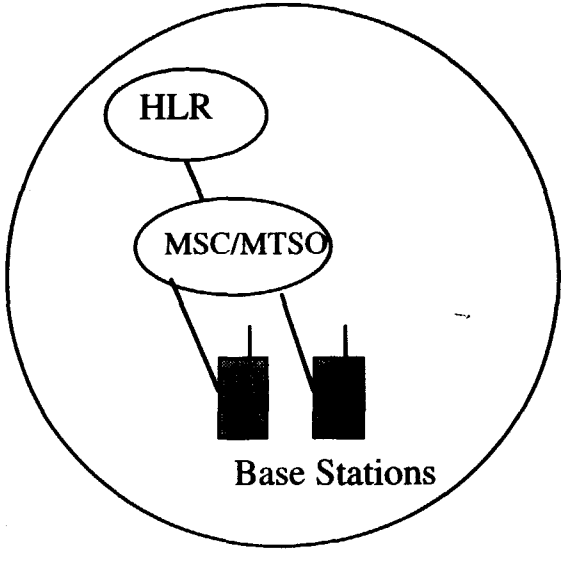
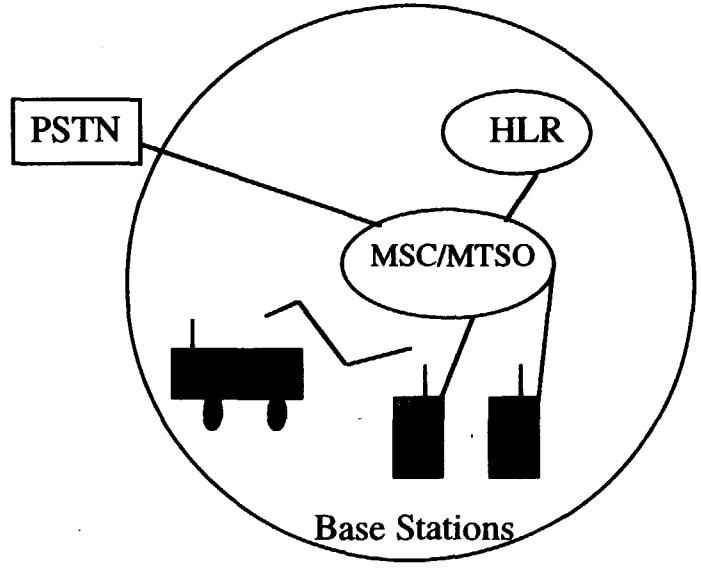
Mobile Services



Network A



Network B

No CLNS to CLNS Interconnection Required

Roaming Scenario 2 - Originating and Terminating Calls, Same Network Technology

PACIFIC BELL®
Mobile Services

Subscriber's Capability - Roaming subscribers can originate calls and have calls delivered to them.

Contract Arrangements: Same as Scenario 1.

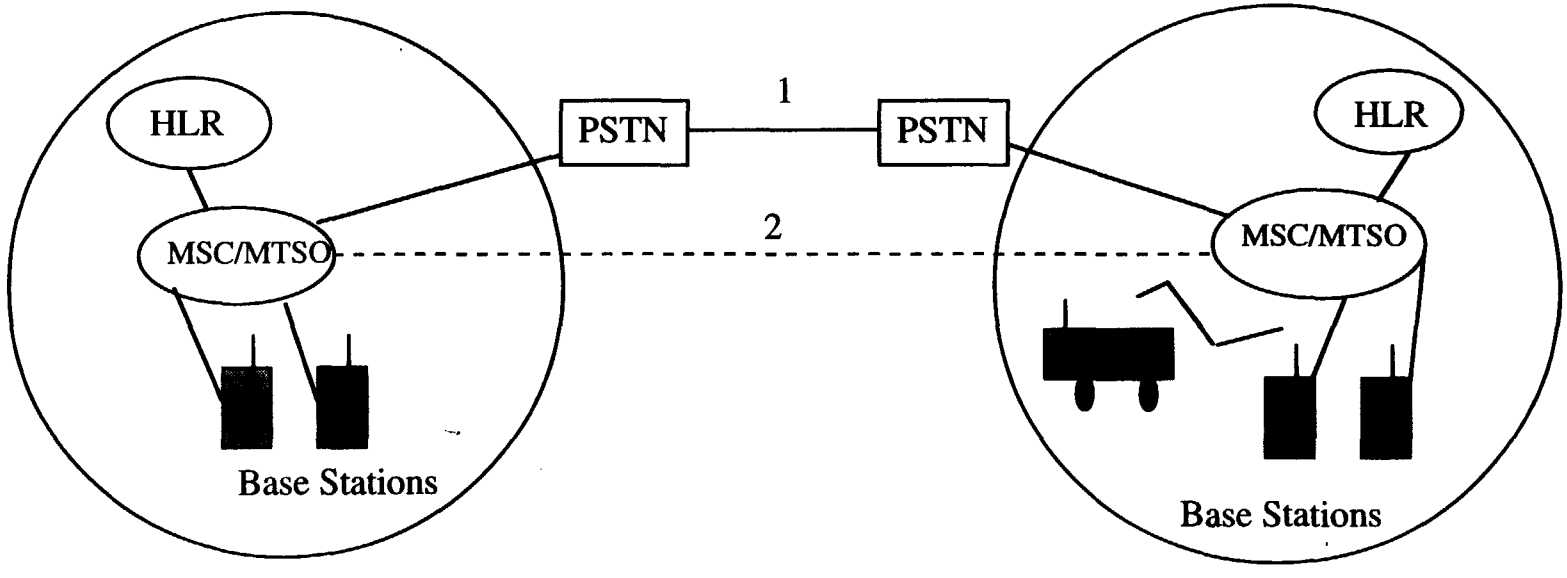
Technology Requirements:

- The subscribers' handset has the same requirements as Scenario 1.
- To enable roaming subscribers to receive calls their home network must be updated with the identification of the visited MSC/MTSO.
- Home Location Registration (HLR) for full roaming can be accomplished via several mechanisms which cellular uses today (i.e. IS-41, X.25, SS7).
- Call completion to the roaming subscriber is handled no differently than cellular today via the PSTN to the visited network.

Technical requirements are no different than used by cellular today

Roaming Scenario 2 - Originating & Terminating Calls Same Network Technology

PACIFIC BELL® Mobile Services



Network A

Network B

1. Terminating calls are delivered via the PSTN.
2. Signaling information exchange via an available national signaling network.

Roaming Scenario 3 - Originating and Terminating Calls, Different Network Technology

PACIFIC BELL® Mobile Services

Subscriber's Capability - Roaming subscribers can originate calls and have calls delivered to them.

Contract Arrangements: Same as Scenario 1.

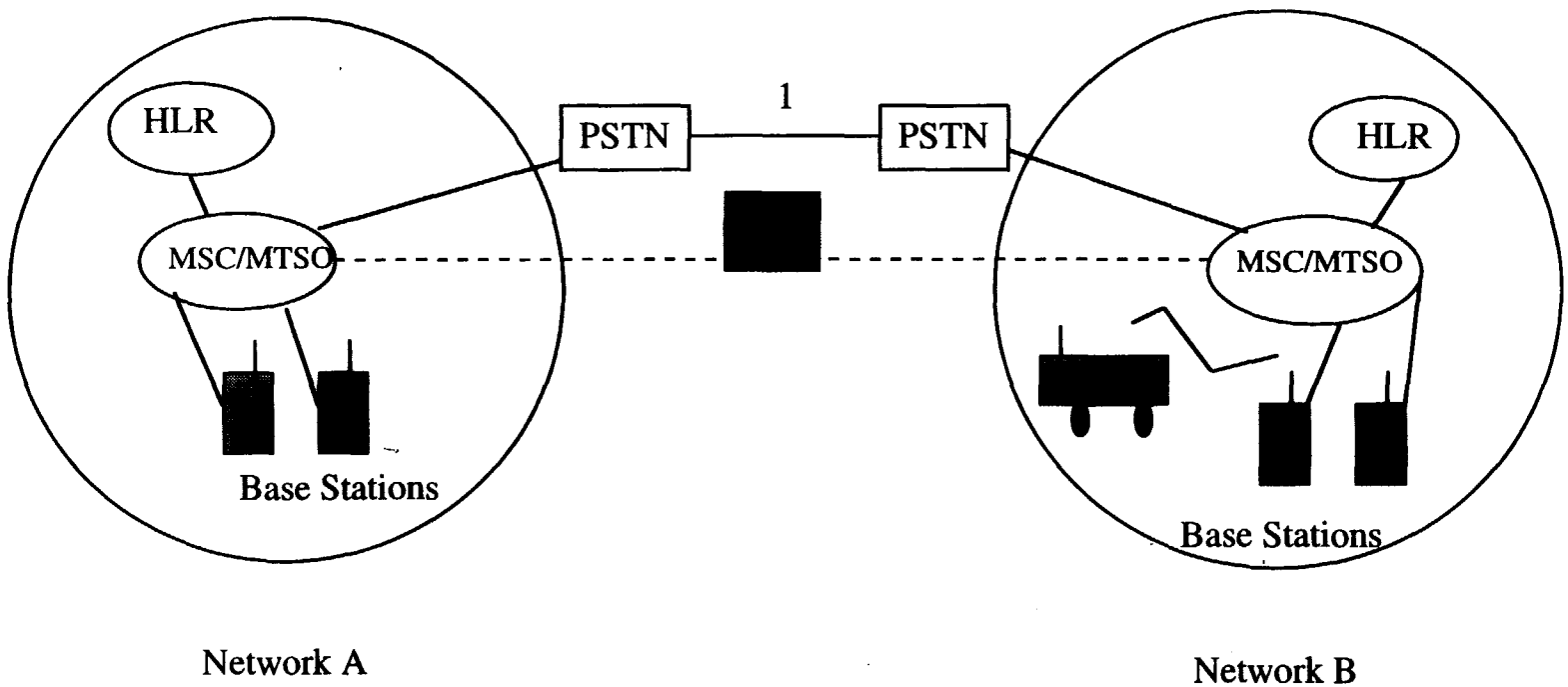
Technology Requirements:

- The subscribers' handset has the same requirements as Scenario 1.
- The subscribers' home network is updated the same way as identified in Scenario 2.
- Call completion to the roaming subscriber is the same as Scenario 2
- Protocol conversion will be needed to allow two networks with different technologies (i.e. PCS1900 and AMPS/IS41) to exchange network information messages.
- **An AMPS/TDMA dual mode handset is available today.**
- **An AMPS/PCS1900 dual mode handset is scheduled for 1Q 1996.**
- **An IS-41/PCS1900 protocol converter is scheduled for 2Q 1996.**

Technical requirements are no different than used by Scenario today

Roaming Scenario 3 - Originating & Terminating Calls Different Network Technology

PACIFIC BELL® Mobile Services



1. Terminating calls are delivered via the PSTN.
2. Signaling information exchange via an available national signaling network with a protocol converter.

The Sequence of Events that Support Roaming

PACIFIC BELL® Mobile Services

1. A Roaming Agreement is agreed upon and upgraded as needed.
2. The companies establish a billing settlements process. (A third party clearinghouse may be used such as GTE using the Cybernet system)
3. Billing procedures and processes are developed and implemented.
4. Roaming Agreement Database activated for roaming originated calls.
5. If the roaming subscriber is allowed to receive calls technical details on how the two networks will exchange registration and call delivery information must be specified. *(For example, both companies must agree on what national signaling network will be used to exchange network message information.)*

[redacted]